ANNUAL REPORT

OF

THE CENTRAL RAILROAD COMPANY OF NEW JERSEY

FOR THE YEAR

ENDED

DECEMBER 31, 1937

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ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

OF

THE CENTRAL RAILROAD COMPANY
OF NEW JERSEY

FOR THE YEAR
ENDED
DECEMBER 31, 1937

THE CLEVELAND PUBLIC LIBRARY

THE CENTRAL RAILROAD COMPANY OF NEW JERSEY

DIRECTORS

WILLIAM G. BESLER, Chairman of the Board, New York, N. Y.

GOLDTHWAITE H. DORR	New York, N. Y.	EDWARD W. SCHEER	New York, N. Y.
*HON. FRANKLIN W. FORT	East Orange, N. J.	GEORGE M. SHRIVER	Baltimore, Md.
HOWARD W. MAXWELL	New York, N. Y.	FREDERICK E. WILLIAMSON	New York, N. Y.
THEODORE W. REATH	Philadelphia, Pa.	ROY B. WHITE	New York, N. Y.

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*Died June 20, 1937.

EXECUTIVE COMMITTEE

GEORGE M. SHRIVER, Chairman,

WILLIAM G. BESLER
GOLDTHWAITE H. DORR
THEODORE W. REATH
EDWARD W. SCHEER
ROY B. WHITE
FREDERICK E. WILLIAMSON

OFFICERS

EDWARD W. SCHEER, President	New York, N. Y.
REVELLE W. BROWN, Vice-President in Charge of Operation and Maintenance	Philadelphia, Pa.
EDGAR D. HILLEARY, Vice-President in Charge of Traffic	Philadelphia, Pa.
CHARLES A. GILL, General Manager	Reading, Pa.
CHARLES E. MILLER, General Attorney	New York, N. Y.
ALEXANDER H. ELDER, General Solicitor	New York, N. Y.
FRED T. DICKERSON, Secretary and Treasurer	New York, N. Y.
FRANK M. SNYDER, Comptroller	Jersey City, N. J.
WALTER V. SHIPLEY, Passenger Traffic Manager	New York, N. Y.
CHARLES L. EWING, General Freight Traffic Manager	New York, N. Y.
MATTHEW L. McELHENY, General Superintendent	Jersey City, N. J.
ARTHUR E. OWEN, Chief Engineer	Jersey City, N. J.
ALEXANDER K. GALLOWAY, Superintendent Motive Power and Rolling Equipment	Reading, Pa.
WILLARD W. JAMES, Real Estate and Tax Agent and Valuation Engineer	Jersey City, N. J.
WESLEY A. CLEM, Purchasing Agent	Philadelphia, Pa.

GENERAL OFFICES, CENTRAL BUILDING,
143 Liberty St., New York, N. Y.

REGISTRAR OF TRANSFERS

Central Hanover Bank and Trust Co., 70 Broadway, New York, N. Y.

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1937

THE CENTRAL RAILROAD COMPANY OF NEW JERSEY

ANNUAL REPORT

YEAR ENDED DECEMBER 31, 1937

New York, N. Y., March 23, 1938

TO THE STOCKHOLDERS:

The Board of Directors herewith submits report of the operations and affairs of the Company as of December 31, 1937.

CORPORATE INCOME STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 1937, COMPARED WITH THE PREVIOUS YEAR

	1937	1936	Changes
Railway Operating Revenues	$32,577,714.84	$31,799,356.15	Inc. $778,358.69
Railway Operating Expenses	23,927,576.81	23,608,786.10	Inc. 318,790.71
Net Operating Revenue	$8,650,138.03	$8,190,570.05	Inc. $459,567.98
Railway Tax Accruals	4,624,525.37	4,976,122.58	Dec. 351,597.21
Hire of Equipment	1,813,926.77	1,594,911.23	Inc. 219,015.54
Joint Facility Rents	63,920.65	55,532.72	Inc. 8,387.93
Charges to Net Operating Revenues	$6,502,372.79	$6,626,566.53	Dec. $124,193.74
Net Railway Operating Income	$2,147,765.24	$1,564,003.52	Inc. $583,761.72
Non-Operating Income	970,653.40	1,021,655.60	Dec. 51,002.20
Total Income from all Sources	$3,118,418.64	$2,585,659.12	Inc. $532,759.52
Deductions for Rentals	2,727,969.49	2,729,694.44	Dec. 1,724.95
Deductions for Interest	2,514,590.61	2,512,761.21	Inc. 1,829.40
Miscellaneous Tax Accruals	*70,645.90*	296,802.85	Dec. 367,448.75
All Other Charges against Income	28,890.67	29,640.72	Dec. 750.05
Total Deductions from Income	$5,200,804.87	$5,568,899.22	Dec. $368,094.35
Net Loss	$2,082,386.23	$2,983,240.10	Dec. $900,853.87
Income Applied to Sinking and Other Reserve Funds	$22,505.01	$22,454.60	Inc. $50.41
Debit Balance Transferred to Profit and Loss	$2,104,891.24	$3,005,694.70	Dec. $900,803.46

A statement in detail of the Income Account appears on Page 15.
Italics denotes credits.

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Railway Operating Revenues:

Railway operating revenues for 1937 totaled $32,577,714.84, an increase of $778,358.69, or 2 per cent. over 1936. Emergency charges of $1,000,146.00, discontinued December 31, 1936, were included in the revenues of 1936.

Revenue from transportation of freight, which constituted 78.52 per cent. of all railway operating revenues, increased $443,303.20, or 1.76 per cent. over the preceding year.

Merchandise and bituminous coal revenues were increased over 1936. The revenues from merchandise traffic totaled $14,891,638.00, an increase of $737,303.00, or 5 per cent.; the revenues from bituminous coal totaled $3,050,000.00, an increase of $281,000.00, or 10 per cent. over 1936.

Anthracite coal revenues totaled $7,640,000.00, a decrease of $575,000.00, or 7 per cent. compared with the year 1936. The principal causes of this decrease were the cancellation of emergency charges which, in 1936, amounted to $308,245.00; to the increasing use of substitute fuels, and to the transportation over highways of coal mined legally and illegally.

Revenues from the transportation of passengers totaled $4,693,696.00, an increase of $190,949.00, or 4 per cent. over 1936, notwithstanding a reduction in the rate to two cents per mile, effective June 1, 1936.

Revenues from all other sources were maintained and are comparable to such revenues obtained during the year 1936.

Railway Operating Expenses:

Railway operating expenses totaled $23,927,576.81, an increase of $318,790.71, or 1 per cent. over 1936. The operating ratio was 73.4 per cent., compared with 74.2 per cent. for 1936.

The aggregate of all maintenance charges was $8,463,025.01, a decrease of $8,647.00, or .1 per cent compared with the year 1936. The maintenance of equipment expenses include net charges for depreciation of equipment of $1,430,330.00, a decrease of $91,829.00 compared with the preceding year.

Transportation expenses totaled $13,615,467.00, an increase of $501,998.00, or 4 per cent. over 1936.

Operating expenses were increased principally by higher wage scales and increased costs of material, supplies and fuel.

Wage Increases:

Effective August 1, 1937, following the negotiations with labor unions representing clerical, telegraph, shop crafts, firemen and oilers, signal and maintenance of way forces, the railways of the country granted those forces an advance of five cents per hour in their wages. For this Company this advance added $725,000.00 per annum to the pay roll. In 1937 the pay roll increase amounted to $315,000.00.

On October 3, 1937, representatives of the carriers and the five brotherhoods of engine and train service employes, who were demanding a 20 per cent. increase in wages, compromised on an increase of 44 cents per day for those employes, effective October 1. The agreement also provides for adjustment in mileage rates, daily minimum earnings, monthly rates and guarantees. It is estimated that this increase will add $315,000.00 per annum to this Company's operating expenses. This increase amounted to $68,000.00 in 1937.

Net Railway Operating Income:

The net railway operating income was $2,147,765.00, compared with $1,564,003.00 for the year 1936, an increase of $583,762.00, or 37 per cent.

Taxes:

For the year 1937, there was accrued for Federal, State and Municipal taxes, an aggregate of $4,553,879.00, compared with $5,272,925.00 for the year 1936, a decrease of $719,046.00. This decrease was due principally to a credit adjustment in 1937 cancelling Railroad Retirement tax of $466,556.00 accrued at 3½ per cent. from March 1st to December 31, 1936, and to the cancellation of taxes accrued, amounting to $291,241.00, on properties in Bayonne, N. J., conveyed to the City of Bayonne for account of the Central District, Inc.

Taxes continue to present a serious problem to the management. Federal, State, Local and other taxes for the year 1937, excluding adjustment of accruals applicable to prior years, amounted to $5,327,185, equivalent to $19.42 per share upon the Capital Stock. For each dollar of pay roll disbursed the tax bill was equal to 32 cents and based on the average number of employees on the pay roll it amounted to $598. per employee.

Tax assessments as levied by the State of New Jersey for the years 1932 to 1937, both inclusive, which have been accrued in current income from year to year, aggregate $23,112,902.00 of which, the Company has paid $12,925,718.00, leaving a deferred balance of $10,187,184.00 which is in litigation. This balance of unpaid State taxes is included in Balance Sheet item "Tax Liability," $11,664,744.25.

The status of the litigation is as follows:

In the 1932 and 1933 cases, after exhausting administrative remedies under the State Law, preliminary injunctions, restraining collection of the contested taxes pending final hearing, were secured from the United States District Court for the District of New Jersey. After final hearing by that Court the suits were dismissed, the 1932 suit on the merits (19 Fed. Supp. 63), and the 1933 suit on jurisdictional grounds (19 Fed. Supp. 82). Appeal was then taken to the United States Circuit Court of Appeals for the Third Circuit and is now awaiting decision.

In the 1934, 1935 and 1936 cases, preliminary injunctions pending final hearing, were secured from the United States District Court. The trial of these cases before the District Court extended from April 20th to November 30th, and a decision is now awaited.

The 1937 assessment was appealed to the New Jersey State Board of Tax Appeals last June. This appeal has not yet been heard.

The litigation above described is being pressed jointly by this Company, the New York Central, D. L. & W., Lehigh Valley and Erie Systems. The aggregate amount of taxes assessed by the State of New Jersey against these five railroad systems and now in controversy amounts to about $30,000,000.00.

HIRE OF EQUIPMENT:

Charges for Hire of Equipment for the year 1937 amounted to $1,813,927.00, an increase of $219,016.00 over 1936, due to the unbalanced movement of loaded cars received from connections versus cars required for originated tonnage. The increase in such charges is reflected in reduced operating expenses for account maintenance.

OTHER INCOME ITEMS:

Income from all other sources, including rents, dividends and interest, shows a net decrease in comparison with 1936, of $51,002.00. This decrease is principally due to the cessation of interest payments on the Philadelphia and Reading Coal and Iron Company bonds owned by your Company.

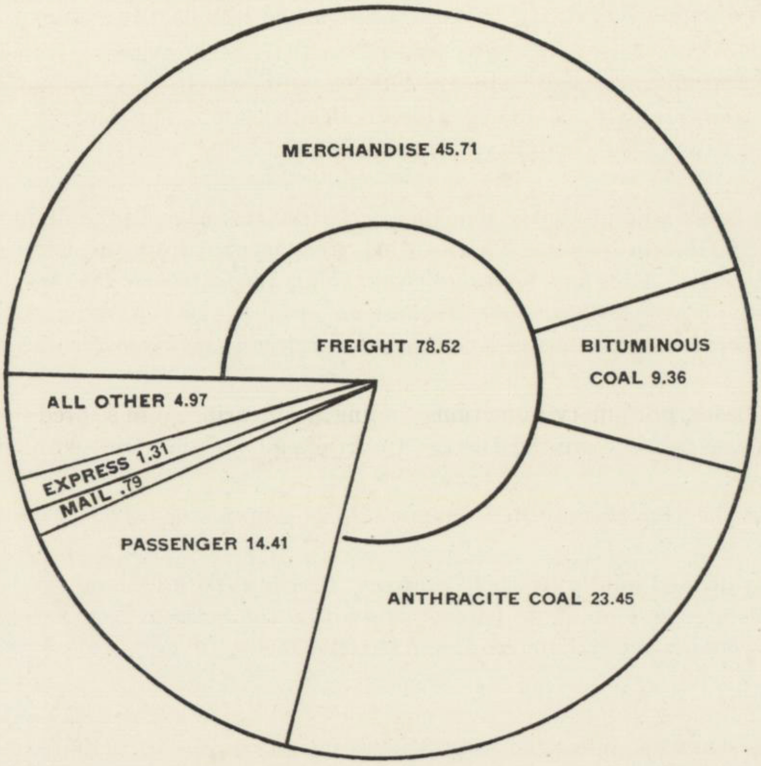
GROSS INCOME:

Gross Income was $3,118,419.00, an increase of $532,760.00, or 21 per cent. over 1936. Charges to Gross Income for rents, miscellaneous taxes, interest on funded and unfunded debt, and other miscellaneous charges amounted to $5,223,310.00, resulting in a deficit of $2,104,891.00, which was charged to the Company's accumulated surplus. This deficit was after a charge of $1,430,330.00 to operating expenses for depreciation of equipment. This charge, while reflecting a depletion of fixed property, however, entails no cash outlay.

The following charts indicate the source and disposition of the Company's operating income for the year 1937.

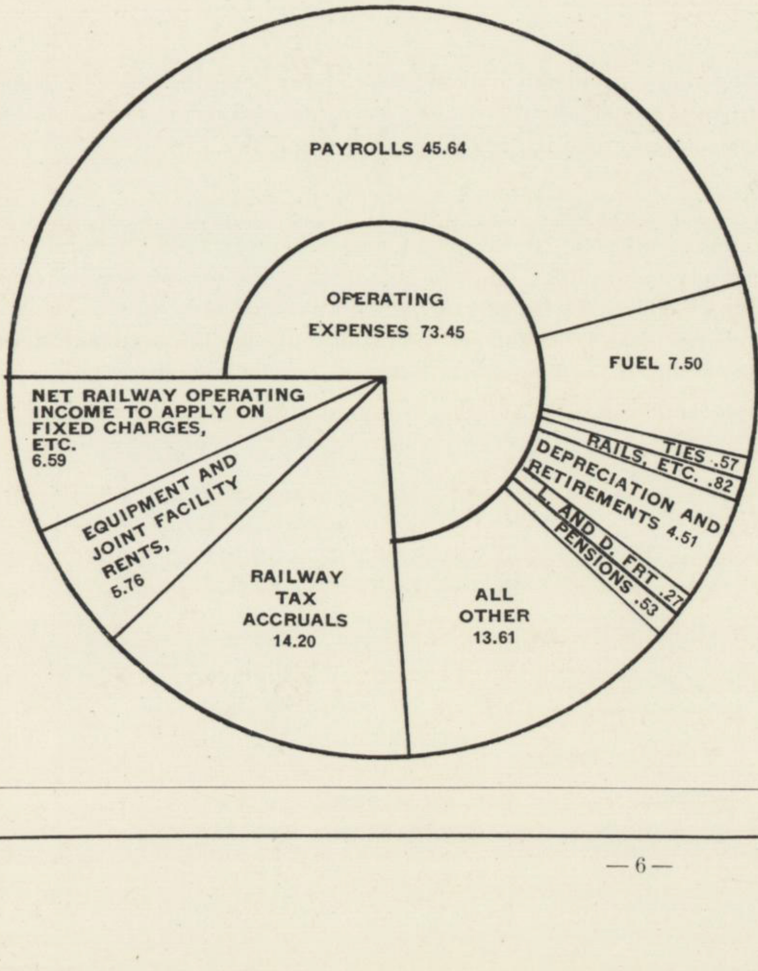
THE SOURCE AND DISPOSITION OF THE RAILROAD DOLLAR

SOURCE



OPERATING REVENUES	AMOUNT	CENTS
FREIGHT:		
Anthracite Coal	$7,640,000	23.45
Bituminous Coal	3,050,000	9.36
Merchandise	14,891,638	45.71
TOTAL	$25,581,638	78.52
Passenger	4,693,696	14.41
Mail	256,834	.79
Express	426,518	1.31
All other	1,619,029	4.97
GRAND TOTAL	$32,577,715	100.00

DISPOSITION



OPERATING EXPENSES	AMOUNT	CENTS
Payrolls	$14,867,749	45.64
Fuel	2,443,277	7.50
Ties	186,242	.57
Rails, Frogs and Switches	268,346	.82
Depreciation and Retirements	1,468,026	4.51
Loss and Damage—Freight	86,662	.27
Pensions	174,264	.53
All other	4,433,011	13.61
TOTAL	23,927,577	73.45
Railway Tax Accruals	4,624,525	14.20
Equip. and Jt. Fac. Rents	1,877,848	5.76
Net Railway Operating Income to Apply on Fixed Charges, etc	2,147,765	6.59
GRAND TOTAL	$32,577,715	100.00

GENERAL BALANCE SHEET:

The general balance sheet of the Company as of the close of the year 1937 is shown on pages 12 and 13.

Investment in road and equipment totals $148,903,041.00, compared with $150,922,929.00 for the year 1936, a decrease of $2,019,888.00 and represents principally the retirement of obsolete equipment in the amount of $2,047,598.00.

Current assets, aggregate $9,316,898.00, a decrease of $1,465,908.00 compared with the year 1936. This decrease is due mainly to:

(a) The additional payment of $946,678.00 in taxes to the State of New Jersey, by order of the Court, to establish payment of taxes for the years 1932 and 1933 on the basis of 50 per cent of assessment, and for the years 1934 and 1935 to the basis of 60 per cent of the assessments.

(b) To the advancing of cash in connection with construction work at Elizabethport, N. J., in the grade crossing project; the Wilson Avenue, Newark, N. J. Bridge, and the Westfield, N. J. underpass project. These projects are incompleted and reimbursement of cash will be provided as and when payments are accomplished, through the State or Federal Governments. These advances are temporarily carried in account "Other unadjusted debits," which account shows an increase over 1936 of $625,853.00.

Current liabilities aggregate $5,206,579,00, an increase over 1936 of $166,071.00.

Under caption "Unadjusted Credits," Tax Liability is stated as $11,664,744.00, and in the main represents taxes in litigation, or accruals not due or payable until 1938.

EQUIPMENT OBLIGATIONS:

During 1937 Equipment Trust Obligations were reduced by payments of $400,000.00. The balance of this class of debt, $1,600,000.00, outstanding as of December 31, 1937, will mature serially each year and be fully retired by August 1, 1941.

ADDITIONS, BETTERMENTS AND IMPROVEMENTS:

Expenditures during the year for additions and betterments of road property were such as to meet the immediate and actual necessities. The more important projects are as follows:

Elimination of the grade crossing Central Avenue, Westfield, N. J.:

This new underpass was opened to highway traffic October 8, 1937. Work was completed in December, 1937. Final audit will show a total of approximately $515,000.00, of which $65,000.00 will be borne by the Railroad Company and the balance, $450,000.00, will be paid by the State of New Jersey from funds allotted to it by the Federal Government.

Elimination of the grade crossing Asbury Avenue, Rosevelt, N. J.:

This new bridge carrying the highway over the railroad was opened to traffic in June, 1937. Work was started on November 9, 1936, and completed in August, 1937. The cost was $76,000.00, of which the Railroad Company assumed $4,000.00 and the balance, $72,000.00, was borne by the State of New Jersey.

Reconstruction of Butler Street Viaduct, Wilkes-Barre, Pa.:

The new viaduct spanning the tracks of the Central Company, the Delaware & Hudson Company and the Lehigh Valley Company, was opened to traffic on November 10, 1937. The work was completed December 31, 1937. The cost was $370,000.00; except for a nominal amount borne by the Railroad Company, will be paid by the Commonwealth of Pennsylvania from funds allotted to it by the Federal Government.

Elimination of the grade crossings, Elizabethport, N. J.:

Work on this project was resumed November 14, 1936, and has progressed throughout the year; and while there has been some delay due to conditions beyond the control of the Railroad Company, it is expected that all grade crossings will be eliminated and the work practically completed by November 1, 1938. This work is being done under an order of the Board of Public Utility Commissioners, of the State of New Jersey, with the aid of a P. W. A. grant. The estimated cost of the project is $5,151,600.00, funds for which will be provided, in major part, by the State of New Jersey and the Federal Government.

Elimination of the grade crossing Wilson Avenue, Newark, N. J.:

This grade crossing was eliminated by the construction of a steel and concrete viaduct carrying the highway over the tracks of the Railroad Company. The viaduct was opened to traffic and practically completed on December 31, 1937. The cost of the project will approximate $315,000.00, of which about $27,500.00 will be borne by the Railroad Company, and the balance will be paid for from State of New Jersey and Federal funds.

Construction of Hill to Hill Bridge between Lehighton and Weissport, Pa.; spanning the tracks of the L. & S. Division at Weissport:

The Commonwealth of Pennsylvania has awarded a contract for the construction of a high level bridge connecting State Highway Route 163 on the Weissport side of the river with Highway Route 163 on the Lehighton side of the river, and spanning tracks of the Central Company, the Lehigh River and tracks of the Lehigh Valley Railroad Company. The improvement will eliminate no railroad grade crossings, but it will reduce the volume of traffic that now passes over the Central Company's tracks at Bridge Street, in Weissport, Pa. Work was started in July, 1937, and as of December 31st is about 50 per cent. completed. The estimated cost of the entire project is $542,000.00, which will be paid for by the Commonwealth of Pennsylvania from funds allotted to it by the Federal Government; the Railroad Company's share of the cost is $3,000.00.

Industrial Spur at Linden, N. J.:

An industrial spur 1.55 miles long has been constructed in the Town of Linden, N. J., extending from a connection with the Perth Amboy Branch near Tremley, N. J., to the southerly side of State Highway Route 25 in close proximity to the General Motors automobile assembly plant; also a branch spur .51 mile in length extending from the main spur to the plant of the Mather Spring Corporation. The purpose of these spurs is to serve an area of 800 to 1,000 acres of potential manufacturing sites. Work of construction was started in January, 1937, and the tracks were practically completed and put in service on November 1, 1937. The total cost was $134,458.00.

RAILROAD CREDIT CORPORATION:

The balance of $313,316.98 due the Company and referred to in report for year 1936, has been reduced during current year to $234,987.75, by distribution payments.

PICK-UP AND DELIVERY SERVICE:

During the year 1937, 85,026 tons of L. C. L. freight were handled in pick-up and delivery service; 45,144 tons by contract truckers at a cost of $82,479.00, or $1.827 per ton, and 39,876 tons which were delivered or collected locally by shippers or consignees, for which a tariff allowance was made of five cents per hundred pounds, or $39,882.00.

FEDERAL LEGISLATION:

Social Security Act:

Under this Act, effective January 1, 1936, the carriers are required to assume a tax of two per cent. of the wages paid to employes for the year 1937, and three per cent. thereafter. The amount of tax accrued for the year 1937 was $320,738.00.

The Railroad Retirement Act of 1935, approved August 29, 1935, and an Act to levy an excise tax upon carriers and an income tax upon their employes were contested by the carriers. In 1937, Railroad management and employe representatives held conferences which brought about a compromise agreement for a pension system for all railroad employes in the United States. This agreement was expressed in law on June 24, 1937, when the President of the United States signed the Railroad Retirement Act, and, on June 29th, the Carriers' Taxing Act. These new Acts supersede or amend the previous Acts which were referred to in the Annual Report for 1936.

The Carriers' Taxing Act provides:

> For a total tax of 5½ per cent. of the pay roll not in excess of $300.00 for any one month for any employe, to be paid into the United States Treasury—one-half by the railroads and the other half by the employes. This tax increases gradually, to a maximum of 7½ per cent. after 12 years.

The Railroad Retirement Act, provides:

> For annuities based upon length of service, and average compensation over a stated period. with a maximum annuity of $120.00 per month.

That an employe is eligible to retire voluntarily upon attaining the age of 65 years, but may retire at 60 years of age if he has completed 30 years of service or has become totally or permanently disabled, with a reduction in the annuity at the rate of one-fifteenth for each year he is under 65.

For retirement of employes because of physical or mental disability after 30 years of service, with full annuity privileges.

For the pension rolls of the railroads as the rolls existed March 1 and July 1, 1937, with maximum payment to any single individual thereon limited to $120.00 per month, to be taken over by the Railroad Retirement Board.

For death benefits under certain conditions, payable to certain beneficiaries of the deceased employe.

All persons subject to the Railroad Retirement Act are excluded from the Federal old-age tax and benefit provisions of the Social Security Act.

MECHANICAL STOKERS ON LOCOMOTIVES:

On December 27, 1937, the Interstate Commerce Commission entered report and Order, I. C. C. Docket No. 24049, in the matter of mechanical stokers on locomotives, which provided as follows:

1. All new coal burning locomotives built after July 1, 1938, used in fast or heavy passenger service, shall be equipped with a mechanical stoker, if weight on drivers is 160,000 pounds, or more, and if used in fast or heavy freight service and weight on drivers is 175,000 pounds, or more, they shall be equipped with a stoker.
2. All coal burning locomotives of the above weights, hand fired and built prior to July 1, 1938, which will be used in fast or heavy service on its line, shall have mechanical stokers applied.

and further, that—

> Mechanical stokers shall be applied each twelve months' period to not less than 20 per cent. of the total; and all such locomotives to be equipped by July 1, 1943.

It will be necessary to secure some interpretation of the Order from the Interstate Commerce Commission. A preliminary survey indicates that the Central Railroad Company of New Jersey will be required to equip 21 locomotives at a total cost of $119,523.00.

POWER REVERSE GEARS:

Under Docket No. 24050 the Interstate Commerce Commission issued order covering application of Power Reverse Gears to locomotives.

After various conferences between representatives of the Association of American Railroads and the officers of the Brotherhoods representing the engineers and firemen, it was agreed—

(a) all steam locomotives built on or after September 1, 1937, and

(b) all steam locomotives used in road service built prior to September 1, 1937, weighing on driving wheels 150,000 pounds or more, and all used in switching service weighing 130,000 pounds or more, are to be equipped with Power Reverse Gears the first time after September 1, 1937, that said locomotives are given Class 3, or heavier repairs, and all locomotives to be so equipped before September 1, 1942.

(On February 28, 1938, the Commission modified the original order so as to require application of these gears as Class 1 or 2 heavy repairs are made).

The Central Railroad Company of New Jersey has 391 locomotives assigned, of which 158 are now equipped with Power Reverse Gears. Due to type of locomotives and retirement it will not be necessary to equip 50, leaving a balance of 183 locomotives to be equipped. The estimated cost of equipping locomotives is $448.20 each, or a total of $82,020.60.

PENNSYLVANIA FULL-CREW ACT:

On June 1, 1937, the Governor of Pennsylvania approved the Pennsylvania Full-Crew Act, which prescribes minimum requirements as to the size of crews on both passenger and freight trains operating in the Commonwealth. It is estimated that the annual additional cost to your Company of complying with this law would be $204,471.00. Your Company, as well as the other railroads operating in Pennsylvania, filed bills in equity attacking the constitutionality of the act and secured preliminary injunctions restraining its enforcement. The Commonwealth filed appeals to the Supreme Court of Pennsylvania from the preliminary injunctions granted to your Company and the Pennsylvania Railroad Company and such appeals were assigned for argument on January 31, 1938.

RAILWAY SIGNAL BILL:

This bill became a law on August 26, 1937. The Interstate Commerce Commission is given power to require the railroads to install block signal systems, interlocking, automatic train stops, train control, and cab signal devices, as well as any other similar appliances, methods and systems intended to promote the safety of railroad operation. Each railroad is required to file with the Commission its rules, standards and instructions for the installation, inspection, maintenance and repair of the above signalling facilities, and the Commission is authorized to revoke such rules, etc., if it so desires. Authority is also given the Commission to inspect and test all the above signalling facilities in order to determine whether they are in proper condition to operate and provide adequate safety, and each railroad must report all failures of the facilities to function properly.

SEATS, ETC., FOR BRAKEMEN:

On July 3, 1936, a complaint was filed with the Interstate Commerce Commission praying for an order that the carriers provide in locomotives adequate seating facilities, equipped with spring cushion seats and back rests, foot warmers, arm rests, etc., for head brakemen.

As a result of negotiations, an agreement has been reached regarding the furnishing of such facilities on freight locomotives. The agreement became effective November 1, 1937. Under the agreement, these facilities will be installed on locomotives used for freight service, combination freight and passenger service, and combination freight and helper service. The railroads are allowed five years in which to make the installations in present equipment, and all new locomotives will be equipped with these facilities when built. It is estimated that the cost of this installation on your Company's locomotives will be approximately $50,000.00.

FARES AND RATES:

The Interstate Commerce Commission, in a decision rendered October 19, 1937, in Ex Parte 115, authorized the principal rail carriers of the United States to increase their rates on certain important basic commodities. These commodities include bituminous coal, coke, iron and steel articles, iron ore, cement and petroleum and its products. These increased rates became effective November 15, 1937, and are expected to add $365,000.00 per year to the revenues of your Company.

In its decision of the above date, the Commission also stated that it would permit the carriers to file tariffs providing for increased rates, subject to possible protest and suspension, on commodities which were not the subject of hearings in Ex Parte 115. These tariffs were filed with the Commission and approved, effective December 20, 1937. Your Company's earnings were expected to benefit to the extent of $150,000.00 per annum from these increases.

The Pennsylvania and New Jersey Public Utility Commissions suspended all tariffs filed by the carriers in connection with Ex Parte 115, so far as they related to charges for intrastate shipments in those states, but later those bodies allowed the increased rates to go into effect except on a few commodities which are still under suspension in Pennsylvania.

TRACK IMPROVEMENTS:

During the year there were laid in replacement the following:

92,357	Cross Ties
564,461	F. B. M. Switch Ties and Bridge Ties
6,001	Cubic Yards of Stone Ballast
11.11	Miles of Main Track with New Steel Rail
.11	Miles of Side Track with New Steel Rail
6.39	Miles of Main Track with Second Hand Rail
5.14	Miles of Side Track with Second Hand Rail

EQUIPMENT RETIREMENTS:

During the year there was retired from service the following equipment with a book value of $2,073,023.89:

Locomotives	14
Passenger Train Cars	10
Freight Train Cars	1,169
Units of Other Equipment	24

Under the regulations of the Interstate Commerce Commission, effective January 1, 1935, expenses are charged with the depreciation of equipment at rates approved by the Commission, which for your Company was 3.04 per cent. The ledger value of equipment retired, after charging to appropriate accounts the salvage realized therefrom, was $1,737,334.88 charged to account "Accrued Depreciation—Equipment."

With deep sorrow the Management records the death, on June 20, 1937, of Hon. Franklin W. Fort, a former Director of this Company.

Mr. Fort was elected a Director on January 28, 1932, and gave unsparingly of his time and ability to the interests he represented. His passing is a distinct loss to the Company and to those associated with him in the administration of its affairs.

The officers and employes are commended for the loyal and efficient services rendered during the past year. The Board also acknowledges with grateful appreciation the cooperation of the holders of the Company's securities, as well as the support received from its patrons.

Appended will be found balance sheet as of December 31, 1937, and various other informative statements.

By Order of the Board of Directors,

EDWARD W. SCHEER,
President.

GENERAL BALANCE SHEET

DECEMBER 31, 1937, COMPARED WITH DECEMBER 31, 1936

Assets	December 31, 1937	December 31, 1936	Increase	Decrease
Investments:				
Road	$ 96,150,290.65	$ 96,122,580.68	$ 27,709.97	
Equipment	52,752,750.11	54,800,348.49		$2,047,598.38
Total	$148,903,040.76	$150,922,929.17		$2,019,888.41
Improvements on Leased Railway Property	$ 14,047,558.85	$ 14,037,810.13	$ 9,748.72	
Miscellaneous Physical Property	3,179,473.97	3,469,901.62		$ 290,427.65
Investments in Affiliated Companies,				
Stocks	5,556,602.58	5,511,492.10	45,110.48	
Bonds	2,060,000.00	2,060,000.00		
Advances	5,645,036.01	5,607,691.19	37,344.82	
Notes and Mortgages	490,000.00	490,000.00		
Other Investments,				
Stocks	813,203.11	810,424.80	2,778.31	
Bonds	5,380,698.46	5,070,094.76	310,603.70	
Notes		90.00		90.00
Miscellaneous	325.00	350.00		25.00
Total	$ 37,172,897.98	$ 37,057,854.60	$ 115,043.38	
Current Assets:				
Cash	$ 1,847,529.42	$ 5,708,614.84		$3,861,085.42
Time Deposit	2,500,000.00		$2,500,000.00	
Special Deposits	387,227.29	758,013.07		370,785.78
Loans and Bills Receivable	11,057.51	3,973.81	7,083.70	
Traffic and Car Service Balances Receivable	812,318.91	908,775.42		96,456.51
Net Balance Receivable from Agents and Conductors	342,268.68	458,009.49		115,740.81
Miscellaneous Accounts Receivable	1,405,216.37	1,134,843.20	270,373.17	
Material and Supplies	1,874,859.63	1,638,258.01	236,601.62	
Interest and Dividends Receivable	110,945.79	152,477.91		41,532.12
Other Current Assets	25,474.73	19,840.71	5,634.02	
Total	$ 9,316,898.33	$ 10,782,806.46		$1,465,908.13
Deferred Assets:				
Working Fund Advances	$ 110,034.42	$ 109,554.42	$ 480.00	
Insurance and Other Funds	592,650.57	567,141.12	25,509.45	
Other Deferred Assets	268,714.01	285,227.56		$ 16,513.55
Total	$ 971,399.00	$ 961,923.10	$ 9,475.90	
Unadjusted Debits:				
Rents and Insurance Premiums Paid in Advance	$ 612,312.08	$ 609,811.10	$ 2,500.98	
Other Unadjusted Debits	1,132,347.29	506,493.95	625,853.34	
Securities Issued or Assumed—Unpledged	1,174,000.00	1,174,000.00		
Total	$ 2,918,659.37	$ 2,290,305.05	$ 628,354.32	
Grand Total	$199,282,895.44	$202,015,818.38		$2,732,922.94

GENERAL BALANCE SHEET

DECEMBER 31, 1937, COMPARED WITH DECEMBER 31, 1936

Liabilities	December 31, 1937	December 31, 1936	Increase	Decrease
Stock:				
Capital Stock,				
Common—Authorized............$30,000,000.00				
Not Issued............ 2,563,200.00				
Outstanding........................	$ 27,436,800.00	$ 27,436,800.00		
Long Term Debt:				
Funded Debt Unmatured:				
Equipment Obligations with Public..............	$ 1,600,000.00	$ 2,000,000.00		$ 400,000.00
Mortgage Bonds in Co's Treasury................	1,267,000.00	1,267,000.00		
Mortgage Bonds with Public.....................	48,731,000.00	48,731,000.00		
Total....................................	$ 51,598,000.00	$ 51,998,000.00		$ 400,000.00
Current Liabilities:				
Traffic and Car Service Balances Payable...........	$ 1,226,861.27	$ 1,488,434.10		$ 261,572.83
Audited Accounts and Wages Payable..............	2,834,081.30	1,984,419.36	$ 849,661.94	
Miscellaneous Accounts Payable....................	129,820.07	506,056.28		376,236.21
Interest Matured Unpaid..........................	866,067.50	865,025.00	1,042.50	
Dividends Matured Unpaid.........................	49,824.50	49,824.50		
Funded Debt Matured Unpaid.......................	6,551.60	6,551.60		
Unmatured Interest Accrued........................	30,000.00	37,500.00		7,500.00
Unmatured Rents Accrued..........................	4,441.87	4,441.87		
Other Current Liabilities..........................	58,930.70	98,255.33		39,324.63
Total....................................	$ 5,206,578.81	$ 5,040,508.04	$ 166,070.77	
Deferred Liabilities:				
Other Deferred Liabilities........................	$ 401,872.40	$ 292,756.34	$ 109,116.06	
Unadjusted Credits:				
Tax Liability..................................	$ 11,664,744.25	$ 11,582,011.52	$ 82,732.73	
Premium on Funded Debt..........................	4,922.44	6,153.05		$ 1,230.61
Insurance and Casualty Reserves..................	571,060.08	546,003.99	25,056.09	
Accrued Depreciation—Equipment.................	26,871,445.21	27,178,449.88		307,004.67
Accrued Depreciation—Road......................	561,880.00	561,880.00		
Other Unadjusted Credits.........................	265,753.59	229,577.50	36,176.09	
Total....................................	$ 39,939,805.57	$ 40,104,075.94		$ 164,270.37
Corporate Surplus:				
Additions to Property through Income and Surplus:				
Investment in Road and Equipment.............	$ 55,266,727.52	$ 55,430,382.75		$ 163,655.23
Improvements on Leased Railway Property......	11,920,341.97	11,910,909.35	$ 9,432.62	
Investment in Miscellaneous Physical Property....	17,591.64	16,493.48	1,098.16	
Total Appropriated Surplus..................	$ 67,204,661.13	$ 67,357,785.58		$ 153,124.45
Profit and Loss Credit Balance..................	$ 7,495,177.53	$ 9,785,892.48		$2,290,714.95
Total Corporate Surplus......................	$ 74,699,838.66	$ 77,143,678.06		$2,443,839.40
Grand Total.............................	$199,282,895.44	$202,015,818.38		$2,732,922.94

PROFIT AND LOSS

DECEMBER 31, 1937

Credit Balance December 31, 1936		$ 9,785,892.48
Credits from Retired Road and Equipment		1,815.55
Donations		2,459.17
Miscellaneous Credits		177,854.87
		$ 9,968,022.07
Less		
Debit Balance transferred from Income	$2,104,891.24	
Surplus Appropriated for Investment in Physical Property	23,208.80	
Debits from Retired Road and Equipment	220,415.28	
Miscellaneous Debits	124,329.22	$ 2,472,844.54
Credit Balance December 31, 1937		$ 7,495,177.53

THE CENTRAL RAILROAD COMPANY OF NEW JERSEY

INCOME ACCOUNT

YEAR ENDED DECEMBER 31, 1937, COMPARED WITH PREVIOUS YEAR

	1937	1936	Increase	Decrease
Operating Revenues:				
Merchandise	$14,891,637.72	$14,154,334.52	$737,303.20	
Bituminous Coal	3,050,000.00	2,769,000.00	281,000.00	
Anthracite Coal	7,640,000.00	8,215,000.00		$575,000.00
Passenger	4,693,696.26	4,502,747.26	190,949.00	
Excess Baggage	1,051.66	849.43	202.23	
Parlor and Chair Car	15,149.08	15,698.27		549.19
Mail	256,833.65	260,311.69		3,478.04
Express	426,517.93	452,752.66		26,234.73
Other Passenger Train	74,577.70	67,194.55	7,383.15	
Milk	11,910.97	12,268.21		357.24
Switching	54,797.54	55,731.83		934.29
Water Transfers—Freight	8,234.20	5,518.88	2,715.32	
Water Transfers—Passenger	71,537.29	61,073.23	10,464.06	
Water Transfers—Vehicles and Live Stock	401,381.19	379,348.86	22,032.33	
Water Transfers—Other	14,696.33	15,521.71		825.38
Incidental	953,545.64	821,408.68	132,136.96	
Joint Facility	12,147.68	10,596.37	1,551.31	
Total	$32,577,714.84	$31,799,356.15	$778,358.69	
Operating Expenses:				
Maintenance of Way and Structures	$ 2,515,484.33	$ 2,437,020.13	$ 78,464.20	
Maintenance of Equipment	5,947,540.68	6,034,652.69		$ 87,112.01
Traffic	573,107.97	579,615.80		6,507.83
Transportation—Rail, Lighterage and Ferries	13,499,108.11	13,000,740.09	498,368.02	
Transportation—Sandy Hook Route	116,358.78	112,728.68	3,630.10	
Miscellaneous Operations	272,309.17	262,110.14	10,199.03	
General	1,003,703.22	1,181,939.36		178,236.14
Transportation for Investment—Credit	35.45	20.79		14.66
Total	$23,927,576.81	$23,608,786.10	$318,790.71	
Net Revenue from Railway Operations	$ 8,650,138.03	$ 8,190,570.05	$459,567.98	
Charges to Net Revenues from Railway Operations:				
Railway Tax Accruals	$ 4,624,525.37	$ 4,976,122.58		$351,597.21
Hire of Equipment	1,813,926.77	1,594,911.23	$219,015.54	
Joint Facility Rents	63,920.65	55,532.72	8,387.93	
Total Charges to Net Revenues	$ 6,502,372.79	$ 6,626,566.53		$124,193.74
Net Railway Operating Income	$ 2,147,765.24	$ 1,564,003.52	$583,761.72	
Non-operating Income:				
Miscellaneous Rent Income	$ 298,431.24	$ 293,929.91	$ 4,501.33	
Dividend Income	245,635.23	234,967.63	10,667.60	
Income from Funded Securities	209,953.00	290,235.36		$ 80,282.36
Income from Unfunded Securities and Accounts	56,135.41	41,731.80	14,403.61	
Release of Premiums on Funded Debt	1,230.61	1,230.61		
Total	$ 811,385.49	$ 862,095.31		$ 50,709.82
Other Non-operating Income:				
Miscellaneous Non-operating Physical Property	$ 109,732.43	$ 113,401.66		$ 3,669.23
Separately Operated Properties—Profit	5,275.98	4,373.14	$ 902.84	
Income from Sinking and Other Reserve Funds	23,615.01	23,564.60	50.41	
Miscellaneous Income	20,644.49	18,220.89	2,423.60	
Total Other Income	$ 159,267.91	$ 159,560.29		$ 292.38
Total Non-operating Income	$ 970,653.40	$ 1,021,655.60		$ 51,002.20
Gross Income	$ 3,118,418.64	$ 2,585,659.12	$532,759.52	
Deductions from Gross Income:				
Rent for Leased Roads	$ 2,389,886.98	$ 2,390,440.65		$ 553.67
Miscellaneous Rents	338,082.51	339,253.79		1,171.28
Miscellaneous Tax Accruals	*70,645.90*	296,802.85		367,448.75
Separately Operated Properties—Loss	16,718.17	18,467.87		1,749.70
Interest on Funded Debt	2,473,700.00	2,491,700.00		18,000.00
Interest on Unfunded Debt	40,890.61	21,061.21	$ 19,829.40	
Maintenance of investment organization	475.00	275.00	200.00	
Miscellaneous Income Charges	11,697.50	10,897.85	799.65	
Total Deductions from Gross Income	$ 5,200,804.87	$ 5,568,899.22		$368,094.35
Net loss	$ 2,082,386.23	$ 2,983,240.10		$900,853.87
Disposition of Net Income:				
Income Applied to Sinking and Other Reserve Funds	$ 22,505.01	$ 22,454.60	$ 50.41	
Debit Balance Transferred to Profit and Loss	$ 2,104,891.24	$ 3,005,694.70		$900,803.46

Italics denote credit.

FUNDED DEBT UNMATURED DECEMBER 31, 1937

NAME OF SECURITY	Date of Issue	Date of Maturity	Total Amount Issued	Held by Company	Amount Actually Outstanding	Interest		
						Rate per Cent	Due	Charged to Income During the Year
MORTGAGE BONDS								
The Central R. R. Co. of New Jersey—Coupon	July 1, 1887	July 1, 1987	$17,667,000.00	$1,074,000.00	$16,593,000.00	5	Jan. and July	$ 829,650.00
The Central R. R. Co. of New Jersey—Registered	July 1, 1887	July 1, 1987	27,331,000.00	100,000.00	27,231,000.00	5	Jan., April, July and Oct.	1,361,550.00
The Central R. R. Co. of New Jersey—Coupon	Jan. 1, 1928	July 1, 1987	4,657,000.00		4,657,000.00	4	Jan. and July	186,280.00
The Central R. R. Co. of New Jersey—Registered	Jan. 1, 1928	July 1, 1987	343,000.00		343,000.00	4	Jan., April, July and Oct.	13,720.00
Total Mortgage Bonds			$49,998,000.00	*$1,174,000.00	$48,824,000.00			
EQUIPMENT TRUST OBLIGATIONS								
The Central R. R. Co. of New Jersey Series 1926—First Lease	Aug. 1, 1926	Aug. 1, 1941	$712,000.00		$712,000.00	4½	Feb. and Aug.	36,712.50
The Central R. R. Co. of New Jersey Series 1926—Second Lease	Aug. 1, 1926	Aug. 1, 1941	304,000.00		304,000.00	4½	Feb. and Aug.	15,675.00
The Central R. R. Co. of New Jersey Series 1926—Third Lease	Aug. 1, 1926	Aug. 1, 1941	160,000.00		160,000.00	4½	Feb. and Aug.	8,250.00
The Central R. R. Co. of New Jersey Series 1926—Fourth Lease	Aug. 1, 1926	Aug. 1, 1941	424,000.00		424,000.00	4½	Feb. and Aug.	21,862.50
Total Equipment Trust Obligations			$1,600,000.00		$1,600,000.00			
Grand Total			$51,598,000.00	*$1,174,000.00	$50,424,000.00			$2,473,700.00

* Does not include $93,000.00 bonds held by Insurance Reserve Fund.

ACCRUED RENTAL FOR LEASED ROADS CHARGED TO INCOME

YEAR ENDED DECEMBER 31, 1937, COMPARED WITH PREVIOUS YEAR

NAME OF COMPANY	1937	1936	Increase	Decrease
Dover and Rockaway R. R. Co.	$ 12,712.07	$ 13,034.57		$322.50
Lehigh and Susquehanna R. R. Co.	2,279,056.66	2,278,991.98	$ 64.68	
Ogden Mine R. R. Co.	25,891.10	26,509.78		618.68
Wilkes-Barre and Scranton Ry. Co.	72,227.15	71,904.32	322.83	
Total	$2,389,886.98	$2,390,440.65		$553.67

INSURANCE RESERVE FUND

FOR YEAR ENDED DECEMBER 31, 1937

Cash on Hand, December 31, 1936		$ 5,286.41
RECEIPTS		
Contributions to Fund	$13,200.00	
Interest and Dividends from Securities in Fund	22,958.37	
Sale of Securities	4,400.00	40,558.37
		$45,844.78
DISBURSEMENTS		
Fire and Marine Losses	$10,643.92	
Purchase of Securities	27,515.53	38,159.45
Cash on Hand, December 31, 1937		$ 7,685.33

ASSETS		LIABILITIES	
Cash	$ 7,685.33	Balance of Reserve, Dec. 31, 1937	$571,060.08
Securities	555,581.24		
Interest and Dividends Receivable	7,793.51		
Total	$571,060.08	Total	$571,060.08

SECURITIES	Par Value	Book Value
SECURITIES OF OTHER COMPANIES:		
Stocks:		
Ogden Mine R. R. Co.	$ 2,800.00	$ 1,891.96
Mahoning Coal R. R. Co.	1,500.00	23,300.00
Reading Co.	51,500.00	40,732.63
Bonds:		
Boston & Maine R. R. Co., 5% First Mortgage Gold Bonds, Series "11"	9,000.00	8,588.75
Buffalo, Rochester & Pittsburgh Ry. Co., 4½% Consolidated Mortgage Bonds	15,000.00	14,141.25
Chicago, Rock Island & Pacific Ry. Co., 3½% Certificates of Indebtedness	6,800.00	6,486.23
Chicago, Rock Island & Pacific Ry. Co., 4½% Gold Bonds, Series "A"	7,962.72	7,486.72
Erie R. R. Co., 4% Convertible Gold Bonds, Series "A"	5,000.00	4,078.75
Erie R. R. Co., 4% General Lien Gold Bonds	11,000.00	8,950.00
Erie R. R. Co., 5% Refunding and Improvement Mortgage Gold Bonds	3,000.00	2,797.50
Erie R. R. Co., 5% Refunding and Improvement Mortgage Gold Bonds	6,000.00	5,655.00
Federal Farm Mortgage Corp., 3¼% Bonds	13,600.00	13,653.29
Glen Alden Coal Co., 4% First Mortgage Gold Bonds	13,000.00	7,507.50
Hudson & Manhattan R. R. Co., 5% First Lien and Refunding Mortgage Bonds, Series "A"	10,000.00	10,047.50
Illinois Central R. R. Co., 4¾% Gold Bonds	11,000.00	10,768.00
Missouri Pacific R. R. Co., 4% General Mortgage Gold Bonds	10,000.00	7,938.50
Missouri Pacific R. R. Co., 5% First and Refunding Mortgage Gold Bonds, Series "F"	2,000.00	1,999.00
Morris & Essex R. R. Co., 5% Construction Mortgage Gold Bonds, Series "A"	10,000.00	10,350.00
New York Central R. R. Co., 4½% Refunding and Improvement Mortgage Gold Bonds, Series "A"	20,000.00	16,300.00
New York Central R. R. Co., 4% Consolidation Mortgage Gold Bonds, Series "A"	9,000.00	8,153.25
New York Central R. R. Co., 5% Refunding and Improvement Mortgage Gold Bonds, Series "C"	2,000.00	2,114.00
New York, New Haven & Hartford R. R. Co., 4½% First and Refunding Mortgage Gold Bonds.	10,000.00	9,186.25
New York, New Haven & Hartford R. R. Co., 4½% Equipment Trust Gold Certificates	4,000.00	3,924.13
New York, Susquehanna & Western R. R. Co., 5% General Mortgage Gold Bonds	5,000.00	3,560.00
New York, Chicago & St. Louis R. R. Co., 5½% Refunding Mortgage Gold Bonds, Series "A"	5,000.00	1,292.50
New York, Chicago & St. Louis R. R. Co., 4½% Refunding Mortgage Gold Bonds, Series "C"	3,000.00	667.50
Pennsylvania R. R. Co., 4½% Gold Debenture Bonds	10,000.00	9,540.00
Philadelphia & Reading Coal and Iron Co., 5% Refunding Mortgage Sinking Fund Gold Bonds	22,200.00	12,536.63
Reading Company, 4½% General and Refunding Mortgage Gold Bonds, Series "A"	51,000.00	40,697.50
Reading Company, 4½% General & Refunding Mortgage Gold Bonds, Series "B"	10,000.00	8,345.00
Southern Pacific Co., 4½% Gold Bonds	15,000.00	14,312.25
Southern Ry. Co., 4% Development and General Mortgage Gold Bonds, Series "A"	7,000.00	6,086.50
St. Louis and San Francisco Ry. Co., 4% Prior Lien Mortgage Gold Bonds, Series "A"	5,000.00	4,448.75
U. S. Government, 2⅞% Treasury Bonds	15,350.00	15,445.91
U. S. Government, 3% Treasury Bonds	23,400.00	23,238.55
U. S. Government, 3⅛% Treasury Bonds	58,300.00	59,153.44
U. S. Government, 3⅜% Treasury Bonds	17,000.00	17,293.75
Wabash Ry. Co., 5% Refunding and General Mortgage Gold Bonds, Series "D"	4,000.00	4,020.00
Wabash Ry. Co., 4½% Refunding and General Mortgage Gold Bonds, Series "C"	7,000.00	6,237.75
Western Union Telegraph Co., 5% Gold Bonds	10,000.00	9,655.00
Total Securities of Other Companies	$502,412.72	$462,581.24
COMPANY'S SECURITIES:		
Central R. R. Co. of N. J., 5% General Mortgage Gold Bonds	$ 83,000.00	$ 83,000.00
Central R. R. Co. of N. J., 4% General Mortgage Gold Bonds	10,000.00	10,000.00
Grand Total	$595,412.72	$555,581.24

SECURITIES OWNED

DECEMBER 31, 1937

STOCKS	Par Value	Book Value
Allentown Terminal R. R. Co.	A $ 225,000.00	$ 225,000.00
American Dock and Improvement Co.	B 30,000.00	1,000.00
Bay Shore Connecting R. R. Co.	27,900.00	27,900.00
Communipaw Central Land Co.	2,000.00	2,000.00
Dover and Rockaway R. R. Co.	C 75,000.00	79,000.00
Elizabethport and New York Ferry Co.	1,455.00	1,455.00
Easton and Western R. R. Co.	50,000.00	50,000.00
Edroyal Corporation	750,000.00	750,000.00
Hunter Run Water Co.	5,000.00	3,196.02
Jersey Central Transportation Co.	20,000.00	20,000.00
Manhattan Lighterage Co.	1,975.00	1.00
Mount Hope Mineral R. R. Co.	109,300.00	†
New York and Long Branch R. R. Co.	D 2,000,000.00	2,000,000.00
Newark Warehouse Co.	10,000.00	10,000.00
Ogden Mine R. R. Co.	414,200.00	281,340.98
Penn Haven Realty Co.	15,000.00	15,000.00
Railway Express Agency, Inc.	*	1,100.00
Raritan River R. R. Co.	495,300.00	839,609.58
Wharton and Northern R. R. Co.	500,000.00	1,250,000.00
Total Affiliated Companies	$ 4,732,130.00	$ 5,556,602.58
Allentown Iron Co.	$ 124,800.00	$ 20,099.90
Globe and Rutgers Fire Insurance Co. (Pref.)	6,135.00	40,900.00
Lakewood Trust Co.	350.00	546.70
Lehigh and Hudson River Ry. Co.	787,000.00	748,287.20
Perth Amboy Trust Co. (Pref.)	70.00	280.00
Sea Bright National Bank	100.00	150.00
Seydel Chemical Co. (Scrip)	11.52	1.00
United Fuel Service, Inc. (Pref.)	136.31	136.31
Hudson River Day Line (Pref.)	*	1,600.00
Hudson River Day Line (Scrip Pref.)	*	50.00
The Central District, Inc.	10,000.00	1,152.00
Total Other Investments	$ 928,602.83	$ 813,203.11

* Without nominal or par value.

† Included in amount shown as book value of Wharton and Northern R. R. Co.

A Pledged under General Mortgage	$ 225,000.00
B Pledged under General Mortgage	30,000.00
C Pledged under General Mortgage	45,000.00
D Pledged under General Mortgage	2,000,000.00
	$2,300,000.00

SECURITIES OWNED

DECEMBER 31, 1937

BONDS	Par Value	Book Value
Allentown Terminal R. R. Co., 4½%	$ 205,000.00	$ 205,000.00
Dover and Rockaway R. R. Co., 6%	35,000.00	35,000.00
New York & Long Branch R. R. Co., 4%	451,000.00	451,000.00
New York & Long Branch R. R. Co., 5%	269,000.00	269,000.00
Newark Warehouse Company, 6%	1,100,000.00	1,100,000.00
Total Affiliated Companies	$2,060,000.00	$2,060,000.00
Reading Co. General & Refunding 4½% Gold Bonds	$3,148,400.00	$2,947,021.44
Philadelphia & Reading Coal & Iron Company Refunding Mortgage 5% Sinking Fund Gold Bonds	1,622,000.00	1,518,253.33
Republic of Poland, 6%	100.00	100.00
Sea Coast R. R. Co., 5%	3,500.00	3,500.00
U. S. Government Treasury Bonds 3⅛%	545,800.00	568,488.85
Street Railways Advertising Co., 4%	19,350.00	19,350.00
Hudson River Day Line, 6%	550.00	550.00
New York World's Fair, Inc., 4%	11,000.00	11,000.00
Thatcher Co., Cumulative Income Debenture 4%	586.84	586.84
The Central District, Inc., Secured Bonds 5%	25,000.00	25,000,00
The Central District, Inc., Income Debenture	2,500,000.00	286,848,00
Total Other Investments	$7,876,286.84	$5,380,698.46
New York City Bond, 4½%	A $ 3,000.00	$ 3,000.00
New York City Bonds, 4%	A 350.00	346.50
New York City Bonds, 4¼%	B 10,700.00	10,987.50
U. S. Government Treasury Bonds, 3⅜%	C 15,000.00	15,050.00
Total Insurance and Other Funds, not including Insurance Reserve Fund, (see folio 19.)	$ 29,050.00	$ 29,384.00
SECURITIES ISSUED OR ASSUMED		
C. R. R. Co. of N. J. General Mortgage, 5%	$1,174,000.00	$1,174,000.00
NOTES AND MORTGAGES		
Edroyal Corporation, 4%	$ 450,000.00	$ 450,000.00
Penn Haven Realty Company, 6%	40,000.00	40,000.00
Total Affiliated Companies	$ 490,000.00	$ 490,000.00
MISCELLANEOUS (Mortgage)		
David Smith, 6%	$ 325.00	$ 325.00

A Deposited with the City of New York under Agreements	$ 3,350.00
B Deposited with the State of New York (State Industrial Commission)	10,000.00
B Deposited with the City of New York under Agreements	700.00
C Deposited with Federal Reserve Bank of New York under Agreements with U. S. Employees Compensation Commission	10,000.00
C Deposited with the State of New York (State Industrial Commission)	5,000.00

ADDITIONS AND BETTERMENTS

YEAR ENDED DECEMBER 31, 1937

ROAD OWNED AND LEASED:	Gross Capital Charges	Retirements	Net Capital Charges
Betterment of Rail and Improved Other Track Material (All Divisions)	$ 26,040.19		$ 26,040.19
Installation of fill to resurface mine cave-ins Lehigh and Susquehanna Division	5,243.87		5,243.87
Improvement to salt meadow land by filling, Elizabethport, N. J.	10,830.00		10,830.00
Construction of The Linden Spur, Linden, N. J.	133,853.43	$ 161.29	133,692.14
Additional Precooling Facilities for Air Conditioned cars in the Jersey City Terminal, N. J.	7,095.08		7,095.08
Assessment for Paving Elm Street, Perth Amboy, N. J.	3,972.89		3,972.89
Elimination of Grade Crossing Central Avenue, Westfield, N. J.	51,925.46		51,925.46
Retirements:			
Elizabethport, N. J., Shop Machinery		32,840.72	*32,840.72*
Greenwich, N. J., Bayside, N. J., Tracks		51,616.25	*51,616.25*
Phillipsburg, N. J., Enginehouse and Shops		86,198.89	*86,198.89*
Southern Sub-Division, N. J., Automatic Train Control		14,875.60	*14,875.60*
Jersey City, N. J., Crossover		5,648.91	*5,648.91*
Glen Gardner, N. J., Water Tank		4,662.00	*4,662.00*
Miscellaneous	37,208.12	42,706.69	*5,498.57*
Total Road Owned and Leased	$276,169.04	$ 238,710.35	$ 37,458.69
EQUIPMENT:			
Purchase of Three White Motor Trucks	$ 9,880.62		$ 9,880.62
Ten Cars converted from Passenger to Work Equipment	3,550.00		3,550.00
Additions and Betterments to Existing Equipment	11,994.89		11,994.89
Retired Equipment:			
Steam Locomotives		$ 331,097.83	*331,097.83*
Freight Train Cars		1,635,894.03	*1,635,894.03*
Passenger Train Cars		77,250.41	*77,250.41*
Work Equipment		28,781.62	*28,781.62*
Total Equipment	$ 25,425.51	$2,073,023.89	*$2,047,598.38*
Grand Total	$301,594.55	$2,311,734.24	*$2,010,139.69*

Italics denote credits.

CLASSIFICATION OF TONNAGE

YEAR ENDED DECEMBER 31, 1937, COMPARED WITH PREVIOUS YEAR

COMMODITIES	1937		1936	
	Tons	Per Cent	Tons	Per Cent
Product of Agriculture	857,937	3.15	799,510	3.15
Animals and Products	304,624	1.12	336,688	1.33
Products of Mines	15,189,937	55.79	14,194,357	55.94
Products of Forests	636,943	2.34	596,782	2.35
Manufactures and Miscellaneous	9,759,099	35.84	9,011,699	35.51
Grand Total, Carload Traffic	26,748,540	98.24	24,939,036	98.28
All L. C. L. Freight	479,069	1.76	436,119	1.72
Grand Total, Carload and L. C. L. Traffic	27,227,609	100.00	25,375,155	100.00

OPERATING EXPENSES

YEAR ENDED DECEMBER 31, 1937, COMPARED WITH PREVIOUS YEAR

	1937	1936	Increase	Decrease
MAINTENANCE OF WAY AND STRUCTURES				
Superintendence	$ 180,668.47	$ 183,507.80		$ 2,839.33
Roadway Maintenance	182,862.75	156,814.08	$ 26,048.67	
Tunnels and Subways	8,470.54	7,908.23	562.31	
Bridges, Trestles and Culverts	71,331.91	71,895.73		563.82
Ties	186,241.80	177,198.04	9,043.76	
Rails	70,635.62	66,643.92	3,991.70	
Other Track Material	197,710.63	163,011.73	34,698.90	
Ballast	18,596.44	17,783.56	812.88	
Track Laying and Surfacing	646,406.93	514,049.23	132,357.70	
Fences, Snowsheds, and Signs	7,681.47	5,762.50	1,918.97	
Station and Office Buildings	150,907.59	125,036.18	25,871.41	
Roadway Buildings	2,199.55	2,222.79		23.24
Water Stations	19,766.89	25,122.60		5,355.71
Fuel Stations	14,737.91	15,139.65		401.74
Shops	41,470.99	22,783.22	18,687.77	
Enginehouses	50,166.13	50,318.95		152.82
Wharves and Docks	129,458.62	156,579.67		27,121.05
Coal and Ore Wharves	31,755.49	27,819.79	3,935.70	
Gas Producing Plants		401.38		401.38
Telegraph and Telephone Lines	13,777.08	14,731.86		954.78
Signals and Interlockers	242,757.93	267,400.03		24,642.10
Power Plants	6,336.31	5,991.09	345.22	
Power Transmission Systems	13,339.55	11,782.97	1,556.58	
Miscellaneous Structures	5.34	38.31		32.97
Roadway Machines	22,762.10	15,924.21	6,837.89	
Small Tools and Supplies	18,511.00	15,480.49	3,030.51	
Removing Snow, Ice and Sand	52,769.26	214,843.04		162,073.78
Public Improvements—Maintenance	23,051.77	25,236.76		2,184.99
Injuries to Persons	21,071.97	22,122.88		1,050.91
Insurance	38,502.71	37,319.51	1,183.20	
Stationery and Printing	2,658.81	2,644.69	14.12	
Other Expenses	239.45	382.86		143.41
Maint'g Joint Tracks, Yards and Other Facilities, Dr.	254,355.88	197,198.68	57,157.20	
Maint'g Joint Tracks, Yards and Other Facilities, Cr.	*206,519.41*	*184,076.30*		22,443.11
Right of way expenses	794.85		794.85	
Total	$2,515,484.33	$2,437,020.13	$78,464.20	
MAINTENANCE OF EQUIPMENT				
Superintendence	$227,467.90	$221,571.63	$ 5,896.27	
Shop Machinery	71,234.29	67,756.86	3,477.43	
Power Plant Machinery	120,945.14	105,906.78	15,038.36	
Steam Locomotives—Repairs	2,049,209.79	2,225,455.92		$176,246.13
Other Locomotives—Repairs	2,889.20	1,028.75	1,860.45	
Freight-Train Cars—Repairs	975,275.03	870,199.62	105,075.41	
Passenger-Train Cars—Repairs	467,530.92	415,554.28	51,976.64	
Floating Equipment—Repairs	490,789.72	501,136.67		10,346.95
Work Equipment—Repairs	60,659.31	58,894.99	1,764.32	
Miscellaneous Equipment—Repairs	2,098.13	2,874.90		776.77
Equipment—Retirements	33,896.35	29,959.79	3,936.56	
Equipment—Depreciation	1,430,330.21	1,522,159.48		91,829.27
Injuries to Persons	42,979.77	35,418.65	7,561.12	
Insurance	40,147.39	44,792.08		4,644.69
Stationery and Printing	13,079.90	12,170.47	909.43	
Other Expenses	563.97	619.67		55.70
Maintaining Joint Equipment—Dr.	4,670.97	3,620.04	1,050.93	
Maintaining Joint Equipment—Cr.	*86,227.31*	*84,467.89*		1,759.42
Total	$5,947,540.68	$6,034,652.69		$87,112.01

Italics denote credits.

OPERATING EXPENSES—Continued

YEAR ENDED DECEMBER 31, 1937, COMPARED WITH PREVIOUS YEAR

	1937	1936	Increase	Decrease
TRAFFIC				
Superintendence	$226,581.22	$224,448.78	$ 2,132.44	
Outside Agencies	200,193.38	195,633.22	4,560.16	
Advertising	81,705.63	105,037.26		$23,331.63
Traffic Associations	21,777.98	19,236.78	2,541.20	
Insurance	345.04	398.35		53.31
Stationery and Printing	42,502.43	34,861.41	7,641.02	
Other Expenses	2.29		2.29	
Total	$573,107.97	$579,615.80		$ 6,507.83
TRANSPORTATION—RAIL LINE				
Superintendence	$269,283.48	$258,593.03	$ 10,690.45	
Dispatching Trains	76,287.30	74,880.27	1,407.03	
Station Employees	1,631,891.76	1,514,857.66	117,034.10	
Weighing, Inspection and Demurrage Bureaus	13,729.45	12,371.49	1,357.96	
Coal and Ore Wharves	144,751.49	152,287.42		$ 7,535.93
Station Supplies and Expenses	156,703.48	153,478.52	3,224.96	
Yardmasters and Yard Clerks	360,488.32	340,573.38	19,914.94	
Yard Conductors and Brakemen	1,027,370.46	887,163.06	140,207.40	
Yard Switch and Signal Tenders	49,898.97	49,076.91	822.06	
Yard Enginemen	680,414.42	581,552.12	98,862.30	
Yard Motormen	4,604.08	3,826.25	777.83	
Yard Switching Fuel	408,251.01	358,187.26	50,063.75	
Water for Yard Locomotives	44,414.16	38,852.23	5,561.93	
Lubricants for Yard Locomotives	5,168.84	4,885.90	282.94	
Other Supplies for Yard Locomotives	4,417.48	3,856.01	561.47	
Enginehouse Expenses—Yard	130,196.08	104,901.56	25,294.52	
Yard Supplies and Expenses	26,151.28	23,841.85	2,309.43	
Operating Joint Yards and Terminals—Dr.	63,758.14	58,911.95	4,846.19	
Operating Joint Yards and Terminals—Cr.	*616,370.36*	*596,827.60*		19,542.76
Train Enginemen	1,355,840.64	1,381,693.94		25,853.30
Train Fuel	2,035,026.21	1,986,138.80	48,887.41	
Water for Train Locomotives	197,712.64	192,660.80	5,051.84	
Lubricants for Train Locomotives	36,660.97	33,643.49	3,017.48	
Other Supplies for Train Locomotives	17,848.97	17,743.59	105.38	
Enginehouse Expenses—Train	429,554.93	415,653.73	13,901.20	
Trainmen	1,404,338.11	1,443,106.91		38,768.80
Train Supplies and Expenses	650,194.76	611,880.21	38,314.55	
Signal and Interlocker Operation	391,210.75	381,618.24	9,592.51	
Crossing Protection	275,863.19	273,351.84	2,511.35	
Drawbridge Operation	39,144.48	36,155.92	2,988.56	
Telegraph and Telephone—Operation	49,261.60	47,893.52	1,368.08	
Operating Floating Equipment	1,641,977.84	1,486,805.29	155,172.55	
Stationery and Printing	49,274.59	49,921.99		647.40
Other Expenses	4,696.81	4,119.13	577.68	
Operating Joint Tracks and Facilities—Dr.	318,615.67	327,634.76		9,019.09
Operating Joint Tracks and Facilities—Cr.	*92,795.06*	*84,494.69*		8,300.37
Insurance	43,097.21	40,099.72	2,997.49	
Clearing Wrecks	13,040.57	22,378.89		9,338.32
Damage to Property	20,604.24	8,664.81	11,939.43	
Damage to Live Stock on Right of Way		13.97		13.97
Loss and Damage—Freight	86,661.54	86,965.72		304.18
Loss and Damage—Baggage	240.10	503.45		263.35
Injuries to Persons	165,986.29	324,045.47		158,059.18
Total	$13,615,466.89	$13,113,468.77	$501,998.12	

Italics denote credits.

OPERATING EXPENSES—Continued

YEAR ENDED DECEMBER 31, 1937, COMPARED WITH PREVIOUS YEAR

	1937	1936	Increase	Decrease
MISCELLANEOUS OPERATIONS				
Dining and Buffet Service	$133,617.44	$123,692.65	$ 9,924.79	
Hotels and Restaurants	138,691.73	138,417.49	274.24	
Total	$272,309.17	$262,110.14	$ 10,199.03	
GENERAL EXPENSES				
Salaries and Expenses of General Officers	$133,148.96	$135,231.75		$ 2,082.79
Salaries and Expenses of Clerks and Attendants	421,620.80	408,474.25	$ 13,146.55	
General Office Supplies and Expenses	32,212.88	32,623.95		411.07
Law Expenses	159,624.83	171,132.27		11,507.44
Insurance	597.50	617.81		20.31
Pensions	174,263.63	360,083.88		185,820.25*
Stationery and Printing	18,020.86	18,744.34		723.48
Valuation Expenses	1,932.58	4,276.35		2,343.77
Other Expenses	60,785.89	46,834.27	13,951.62	
General Joint Facilities—Dr.	13,906.86	15,338.31		1,431.45
General Joint Facilities—Cr.	*12,411.57*	*11,417.82*		993.75
Total	$1,003,703.22	$1,181,939.36		$178,236.14
Transportation for Investment—Cr.	*$35.45*	*$20.79*		$14.66
Grand Total	$23,927,576.81	$23,608,786.10	$318,790.71	

Italics denote credits.

* The decrease was due to the assumption, effective June 1, 1937, of pension payments by the Government, up to $120.00 per month, in accordance with provisions of the Railroad Retirement Act of 1937.

TRANSPORTATION STATISTICS

YEAR ENDED DECEMBER 31, 1937, COMPARED WITH PREVIOUS YEAR

	1937	1936	Increase	Decrease
Miles of road operated	709.10	712.29		3.19
Train Miles:				
Freight—ordinary	1,823,290	1,741,429	81,861	
Freight—light	86,941	75,895	11,046	
Freight—total	1,910,231	1,817,324	92,907	
Passenger	3,296,189	3,304,136		7,947
Total transportation service	5,206,420	5,121,460	84,960	
Work service	89,102	77,711	11,391	
Locomotive Miles:				
Freight—principal	1,910,231	1,817,324	92,907	
Freight—helper	232,185	235,822		3,637
Freight—light	425,339	391,221	34,118	
Freight—total	2,567,755	2,444,367	123,388	
Passenger—principal	3,296,189	3,304,136		7,947
Passenger—helper	5,598	6,400		802
Passenger—light	190,422	196,525		6,103
Passenger—total	3,492,209	3,507,061		14,852
Train switching	807,675	938,398		130,723
Yard switching—freight	1,877,958	1,606,662	271,296	
Yard switching—passenger	294,504	296,664		2,160
Yard switching—total	2,172,462	1,903,326	269,136	
Total transportation service	9,040,101	8,793,152	246,949	
Work service	138,662	131,933	6,729	
Car Miles:				
Freight train—loaded	62,123,084	59,302,658	2,820,426	
Freight train—empty	38,748,551	37,114,743	1,633,808	
Freight train—loaded and empty	100,871,635	96,417,401	4,454,234	
Freight train—caboose	1,949,857	1,837,287	112,570	
Freight train—total	102,821,492	98,254,688	4,566,804	

TRANSPORTATION STATISTICS—Continued

YEAR ENDED DECEMBER 31, 1937, COMPARED WITH PREVIOUS YEAR

Car Miles—Continued:	1937	1936	Increase	Decrease
Passenger train—passenger coaches	11,297,996	11,040,291	257,705	
Passenger train—sleeping and parlor cars	500,402	536,031		35,629
Passenger train—club, lounge, dining and observation cars	578,978	581,581		2,603
Passenger train—business cars	15,233	11,949	3,284	
Passenger train—mail, express and baggage cars, and combination cars other than passenger	2,474,278	2,482,705		8,427
Passenger train—combination passenger cars (mail, express or baggage with passenger)	2,052,220	2,019,950	32,270	
Passenger train—total	16,919,107	16,672,507	246,600	
Total transportation service	119,740,599	114,927,195	4,813,404	
Work service	207,074	155,418	51,656	
Freight Traffic:				
*Revenue per mile of road	$37,730.47	$36,903.02	$827.45	
Revenue per ton	.93955	.99067		$.05112
Revenue per train mile	13.39	13.83		.44
Revenue per ton per mile	.01327	.01384		.00057
Number of tons per train mile—all freight	1,052.34	1,052.40		.06
Number of tons per train mile—revenue freight	1,008.64	999.49	9.15	
Number of tons per loaded car mile—revenue freight	31.01	30.68	.33	
Number of cars per train mile—loaded	32.52	32.58		.06
Number of cars per train mile—empty	20.28	20.42		.14
Number of cars per train mile—all	52.80	53.00		.20
Distance each ton was carried (miles)	70.80	71.58		.78
Tons carried—revenue freight Anthracite	6,825,129	6,992,105		166,976
Tons carried—revenue freight Bituminous	5,527,962	4,949,334	578,628	
Tons carried—revenue freight Merchandise	14,874,518	13,433,716	1,440,802	
Total tons carried—revenue freight	27,227,609	25,375,155	1,852,454	
Tons carried one mile—revenue freight	1,927,591,356	1,816,396,943	111,194,413	
Passenger Traffic:				
†Revenue service train per mile of road	$12,194.27	$11,820.60	$373.67	
Revenue per passenger	.25102	.25533		$.00431
Revenue per train mile	1.66	1.61	.05	
Revenue per passenger per mile	.01241	.01231	.00010	
Number of passengers per train mile	114.72	110.70	4.02	
Number of passengers per car mile	29.48	29.06	.42	
Number of cars per train mile	5.13	5.06	.07	
Distance each passenger was carried (miles)	20.22	20.74		.52
Passengers carried	18,698,177	17,635,070	1,063,107	
Passengers carried one mile	378,126,837	365,784,127	12,342,710	
Total operating revenue per mile of road	$45,942.34	$44,643.83	$1,298.51	
Total operating revenue per train mile	6.26	6.21	.05	
Operating expenses per mile of road	33,743.59	33,144.91	598.68	
Operating expenses per train mile	4.60	4.61		$.01

* Miles of road operated in freight service used in computing this average.

† Miles of road operated in passenger service used in computing this average.

RATIOS

YEAR ENDED DECEMBER 31, 1937, COMPARED WITH PREVIOUS YEAR

	1937	1936	Increase	Decrease
Ratio of each class of Operating Revenues to Total Operating Revenues:	%	%	%	%
Freight	78.52	79.05		00.53
Passenger	14.41	14.16	00.25	
Mail and Express	02.10	02.24		00.14
Other Transportation	02.01	01.93	00.08	
Other than Transportation	02.93	02.58	00.35	
Joint Facility—Credit	00.04	00.05		00.01
Joint Facility—Debit	00.01	00.01		
Total	100.00	100.00		
Ratio of each class of Operating Expenses to Total Operating Expenses:				
Maintenance of Way and Structures	10.51	10.32	00.19	
Maintenance of Equipment	24.86	25.56		00.70
Traffic	02.40	02.45		00.05
Transportation	56.90	55.55	01.35	
Miscellaneous Operations	01.14	01.11	00.03	
General	04.19	05.01		00.82
Transportation for Investment—Credit	00.00	00.00		
Total	100.00	100.00		
Ratio of each class of Operating Expenses to Total Operating Revenues:				
Maintenance of Way and Structures	07.72	07.67	00.05	
Maintenance of Equipment	18.26	18.98		00.72
Traffic	01.75	01.82		00.07
Transportation	41.80	41.24	00.56	
Miscellaneous Operations	00.84	00.82	00.02	
General	03.08	03.71		00.63
Transportation for Investment—Credit	00.00	00.00		
Total	73.45	74.24		00.79

EQUIPMENT

DECEMBER 31, 1937, COMPARED WITH PREVIOUS YEAR

Description	*Owned Dec. 31, 1936	Added by Construction or Purchase	Condemned, Destroyed or Sold	Transferred		*Owned Dec. 31, 1937
				Additions	Deductions	
Locomotives:						
Passenger	136		6			130
Freight	147		8			139
Switch	123					123
Total Locomotives	406		14			392
Cars:						
Passenger Train:						
Coaches	478				4	474
Combination Passenger	82				6	76
Other Combination	15					15
Dining	4					4
Baggage and Express	57					57
Club	3					3
Total	639				10	629
Freight—Train:						
Box Cars	4,186		1,002			3,184
Automobile Cars	200					200
Flat Cars	128		22			106
Stock Cars	49					49
Coal Cars	6,589		94			6,495
Refrigerator Cars	48		4			44
Container Cars	21					21
Cement Cars	40					40
Other Freight Train Cars	2,756		46			2,710
Caboose Cars	147		1			146
Poling Cars	7					7
Total	14,171		1,169			13,002
Work Equipment:						
Cinder Cars	20		2			18
Business Cars	2					2
Locomotive Cranes	24					24
Pile Drivers	2					2
Work Cars	157		22	10		145
Total	205		24	10		191
Total Cars	15,015		1,193	10	10	13,822
In Marine Service:						
Steamboats	2					2
Ferryboats	10					10
Tugboats	11					11
Steam Lighters	5					5
Other Lighters	36					36
Covered Barges	34					34
Car Floats	20					20
Water Pile Drivers	3					3
Launch	1					1
Catamaran	1					1
Total	123					123

* Includes Equipment under Trust.

LOCOMOTIVE AND FREIGHT CAR CAPACITY

DECEMBER 31, 1937, COMPARED WITH PREVIOUS YEAR

LOCOMOTIVES

Type	December 31, 1936				Added	Retired	December 31, 1937			
	Number	Average Weight (Tons)		Average Tractive Power			Number	Average Weight (Tons)		Average Tractive Power
		Total	On Drivers					Total	On Drivers	
4 Wheel Switch	1	56.2	56.2	22,272			1	56.2	56.2	22,272
6 Wheel Switch	66	76.8	76.8	34,520			66	76.8	76.8	34,520
8 Wheel Switch	55	122.0	122.0	57,111			55	122.0	122.0	57,111
Oil Electric Switch	1	60.0	60.0	30,000			1	60.0	60.0	30,000
10-Wheeler	84	104.1	79.6	34,164			84	104.1	79.6	34,164
12-Wheeler	35	111.8	85.7	39,564		6	29	111.9	85.8	39,564
Suburban	25	113.5	71.9	24,701		3	22	114.8	72.3	24,970
Consolidation	20	112.3	100.0	41,069		2	18	112.5	100.1	41,010
Atlantic	11	109.5	62.6	29,635		2	9	109.0	62.9	29,314
Pacific	21	158.8	98.6	45,979			21	158.8	98.6	45,979
Mikado	86	169.0	125.5	62,949			86	169.0	125.5	62,949
Total	*405	48,708.8	38,925.3	17,870,261		*13	392	47,286.9	37,888.3	17,419,347
Average		120.3	96.1	44,124				120.6	96.7	44,437

* Does not include inspection engine, retired March 8, 1937.

FREIGHT CARS

Type	Number Dec. 31, 1936	Added	Retired	Number Dec. 31, 1937	Capacity (Tons)	
					Dec. 31, 1936	Dec. 31, 1937
Box	4,186		1,002	3,184	166,790	136,650
Automobile	200			200	10,000	10,000
Flat	128		22	106	5,120	4,240
Stock	49			49	1,470	1,470
Coal	6,589		94	6,495	345,640	341,795
Refrigerator	48		4	44	1,740	1,610
Container Cars	21			21	1,040	1,040
Cement Cars	40			40	2,200	2,200
Other Freight Train Cars	2,756		46	2,710	139,725	137,855
Total	†14,017		1,168	†12,849	673,725	636,860

† Does not include Caboose or Poling Cars.

MILEAGE OF TRACKS, DECEMBER 31, 1937.

Name of Road or Track	Termini between which Road named extends	Miles of Road	Miles of Second Main Track	Miles of Third Main Track	Miles of Fourth Main Track	Miles of all other Main Track	Miles of Industrial Tracks	Miles of Yard Track and Sidings	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	LINES OWNED								
CENTRAL DIVISION									
MAIN LINE:	Jersey City, N. J., to Phillipsburg, N. J.	72.28	72.28	39.48	39.31	18.45	16.41	309.67	567.88
BRANCHES									
Conn. with B. & N. Y. R. R.	Cranford Junction, N. J.	.07	.05						.12
Conn. with D. & B. B. R. R.	Bound Brook Junction, N. J.	.09	.09						.18
Conn. with M. & E. R. R.	Hampton, N. J.	.02							.02
Conn. with M. & E. R. R.	Phillipsburg, N. J.	.11							.11
Constable Hook Branch, N. J.	E. 22nd St., Bayonne, N. J., to Constable Hook, N. J.	1.92					1.11	3.98	7.01
Conn. with E. J. R. R. & T.	Constable Hook Branch to E. J. R. R. & T.	.04							.04
Ave. A. Branch	Ave. A, Bayonne, N. J., to W. First St.	.62					.27	.26	1.15
W. 2nd St. Branch	Ave. A, Bayonne, N. J., to Ave. C.	.60					.36		.96
Middle Brook Branch	Middle Brook, N. J., to Chimney Rock, N. J.	1.99					1.26	.76	4.01
Johns-Manville Branch	Manville, N. J., to Terminus	.82							.82
Ingersoll Branch	Phillipsburg, N. J., to Terminus	.70							.70
NEWARK BRANCH:	Communipaw, N. J., to Newark, N. J.	6.19	6.19	.22	.14	.54	5.46	17.17	35.91
Lafayette Branch	Pacific Ave. to Terminus	.66					.15	1.29	2.10
West Side Branch	West Side Ave. to Danforth Ave.	.92					.99	1.64	3.55
Bay Shore Branch No. 1	Newark Branch to Bay Shore Conn. R. R.	.24						.01	.25
Passaic River Branch	Newark Branch to Terminus	.69					.27	1.01	1.97
Manufacturers Branch	Brills Junction to Passaic River	1.14					.99	4.87	7.00
Manufacturers Ext. Branch	Albert Ave. to Terminus	1.13					.91	1.66	3.70
Feigenspan Branch	Manufacturers Branch to Terminus	.37					.09		.46
NEWARK & ELIZABETH BRANCH:	Brills Junction to Elizabethport, N. J.	5.70	5.61			.37	.73	33.88	46.29
Brills Branch	Newark Transfer to Oak Island Junction, N. J.	1.52	1.46						2.98
Elizabeth Extension Branch	Great Island Junction to Terminus	1.61					.34	2.95	4.90
Conn. with Perth Amboy Branch	Elizabethport, N. J.	.18							.18
PERTH AMBOY BRANCH:	Elizabethport, N. J., to Perth Amboy, N. J.	12.16	12.16	2.04	1.72	.66	2.16	13.90	44.80
Conn. with N. & E. Branch	Elizabethport, N. J.	.09							.09
Conn. with Elizabeth Loop Line	Elizabethport, N. J.	.11							.11
Raritan N. Shore Branch	Perth Amboy, N. J., to Raritan Brick Works	1.74					.68	.93	3.35
Linden Branch	Tremley, N. J., to Route 25	1.55						.51	2.06
Mather Branch	Linden Branch to Stiles St.	.62							.62
ELIZABETH LOOP LINE:	Elizabeth, N. J., to Elizabethport Docks	2.79					1.89	17.83	22.51
Conn. with Perth Amboy Branch	Elizabethport, N. J.	.03							.03
SOUND SHORE BRANCH:	Bayway, N. J., to Chrome, N. J.	5.86	.94				.96	3.31	11.07
Bayway Branch	Bayway, N. J., to Elizabeth River, N. J.	.78					1.11	.62	2.51
Tremley Branch	Tremley, N. J., to Tremley Point, N. J.	.95						.64	1.59
Carteret Branch	Williams & Clark to West Carteret, N. J.	1.26					1.15	.16	2.57
Reformatory Branch	Williams & Clark to Reformatory	4.69					2.52	3.12	10.33
SOUTH BRANCH:	Somerville, N. J., to Flemington, N. J.	15.70					.49	2.17	18.36

MILEAGE OF TRACKS, DECEMBER 31, 1937—Continued

Name of Road or Track	Termini between which Road named extends	Miles of Road	Miles of Second Main Track	Miles of Third Main Track	Miles of Fourth Main Track	Miles of all other Main Track	Miles of Industrial Tracks	Miles of Yard Track and Sidings	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
LINES OWNED (Continued)									
CENTRAL DIVISION—Continued									
BRANCHES									
HIGH BRIDGE BRANCH-	High Bridge, N. J., to Wharton, N. J.	25.45					2.23	12.18	39.86
Chester Branch	Long Valley, N. J., to Chester, N. J.	4.48					.09	.26	4.83
Lake Hopatcong Branch	Hopatcong Junction to Lake Hopatcong, N. J.	5.35					.20	1.40	6.95
Hibernia Mine Branch	Rockaway, N. J., to Hibernia, N. J.	4.28					.92	1.54	6.74
BRONX TERMINAL:	New York, N. Y.							2.03	2.03
SOUTHERN DIVISION									
MAIN LINE:	Red Bank, N. J., to Greenwich, N. J.	101.18	.55			.07	4.24	33.63	139.67
BRANCHES									
Belford Branch	Belford, N. J., to Red Bank, N. J.	.83					.31	.27	1.41
Deerfield Branch	Bridgeton, N. J., to Deerfield, N. J.	5.40				.28		1.31	6.99
Conn. with W. J. & S. S. R. R.	Deerfield Branch to W. J. & S. S. R. R.	1.22							1.22
Bridgeton Branch	Main Line to Bridgeton Station, N. J.	.26							.26
Vineland Branch	Bowentown, N. J., to Bridgeton, N. J.	3.65					.27	1.01	4.93
Buena Vista Branch	Greenwich, N. J., to Greenwich Pier, N. J.	1.03						.19	1.22
FREEHOLD BRANCH:	Matawan Crossing, N. Y. & L. B. R. R. to Freehold, N. J.	12.22					.83	6.15	19.20
Conn. with N. Y. & L. B. R. R.	Matawan, N. J.	.31							.31
"Y" Connection with N. Y. & L. B. R. R.	Matawan Crossing	.04							.04
SEA SHORE BRANCH:	Matawan Crossing, N. Y. & L. B. R. R. to Eatontown, N. J.	25.44	9.54			.39	2.36	9.63	47.36
"Y" Connection with N. Y. & L. B. R. R.	Matawan Crossing	.04							.04
"Y" Connection with Belford Branch	Belford, N. J.	.16						.53	.69
Stone Church Branch	Atlantic Highlands Station to Third Ave.	.19						.06	.25
Navesink Branch	Sea Shore Br. to Atlantic Highlands Pier, N. J.	.45	.25						.70
"Y" Connection	Navesink Branch to Sea Shore Branch	.22	.22						.44
Highland Beach Branch	Highland Beach, N. J., to U. S. Proving Grounds	.34							.34
West End Branch	East Long Branch, N. J., to West End, N. J.	1.67	1.67				.02	.57	3.93
BARNEGAT BRANCH:	Lakehurst, N. J., to Barnegat, N. J.	22.29					.60	1.42	24.31
CUMBERLAND & MAURICE RIVER BR.:	Bridgeton Junction to Bivalve, N. J.	22.36					1.62	4.54	28.52
LEHIGH AND SUSQUEHANNA DIVISION									
AINEYVILLE BRANCH:	Allentown Terminal R. R. to Terminus, Allentown, Pa.	.33						.12	.45
NANTICOKE EXTENSION BRANCH:	Lee, Pa., to Conn. with P. R. R. at West End Breaker	1.69						.03	1.72
	Total Owned	388.82	111.01	41.74	41.17	20.76	53.99	499.21	1156.70

MILEAGE OF TRACKS, DECEMBER 31, 1937—Continued

Name of Road or Track (1)	Termini between which Road named extends (2)	Miles of Road (3)	Miles of Second Main Track (4)	Miles of Third Main Track (5)	Miles of Fourth Main Track (6)	Miles of all other Main Track (7)	Miles of Industrial Tracks (8)	Miles of Yard Track and Sidings (9)	Total (10)
CONTROLLED AND OPERATED BY OWNERSHIP OF CAPITAL STOCK OR BY AGREEMENTS									
LINES LOCATED IN NEW JERSEY									
Bay Shore Conn. Railroad	Newark Branch to Lehigh Valley R. R.	1.10					.94	.65	2.69
Dover & Rockaway R. R.	Wharton, N. J., to Rockaway, N. J.	4.54					1.70	2.06	8.30
Ogden Mine R. R.	Lake Hopatcong, N. J., to Edison, N. J.	9.69					.07	1.46	11.22
LINES LOCATED IN PENNSYLVANIA									
Easton & Western R. R.	E. & W. Junction, Pa., to Easton, Pa.	4.36					.21		4.57
Conn. with Lehigh Valley R. R.	Easton, Pa. (wholly owned by E. & W.)	.07							.07
Conn. with Lehigh Valley R. R.	Easton, Pa. (owned jointly and equally with L. V. R. R.)	.12						.07	.19
Lehigh & Susquehanna R. R.	Phillipsburg, N. J., to Union Junction, Pa.	105.14	91.78	3.73	1.07	2.73	16.10	159.12	379.67
Conn. with Lehigh & Hudson River R.R.	Easton, Pa.	.02							.02
Conn. with Easton & Western R. R.	Easton & Western Jct., Pa.	.04							.04
Minsi Trail Branch	Bethlehem, Pa., to Terminus	.99					.05	.18	1.22
North Penn. Conn.	Bethlehem Jct., Pa., to So. Bethlehem, Pa.	.33							.33
Conn. with Lehigh & New England R.R.	Bethlehem Jct., Pa.	.21							.21
Conn. with Allentown Terminal R.R.	East of Allentown, Pa.	.03	.05						.08
Conn. with Allentown Terminal R.R.	West of Allentown, Pa.	.06							.06
Carbon Branch	L. & S. R. R. to Terminus	.50							.50
Coplay Branch	Northampton, Pa., to Hokendauqua, Pa.	.54					.35	.34	1.23
Standard Cement Branch	Northampton, Pa., to Standard Cement Works	.56					5.45		6.01
Allen Cement Branch	L. & S. R. R. to Allen Cement Works	.77					.24		1.01
Conn. with Nesquehoning Valley R.R.	Nesquehoning Jct., Pa.	.16	.17			.04			.37
Conn. with Franklin Branch	Franklin Jct., Pa.	.02							.02
Upper Lehigh Branch	Upper Lehigh Jct., Pa., to Upper Lehigh, Pa.	9.04					.13	1.67	10.84
Sandy Run Branch	Pond Creek Junction, Pa., to Sandy Run, Pa.	2.59					.92	.69	4.20
Ashley Planes Branch	Solomons Gap, Pa., to Ashley, Pa.	2.70	2.50					.40	5.60
Buttonwood Branch	Franklin Junction, Pa., to Buttonwood, Pa.	2.19					2.02	.93	5.14
Franklin Branch	Franklin Junction, Pa., to Nanticoke Branch	1.05						.30	1.35
Nanticoke Branch	Gardners Switch, Pa., to Lee, Pa.	17.05					7.52	19.32	43.89
"Y" Connection	Nanticoke Branch to Ashley Planes	.36							.36
Leemine Branch	Leemine, Pa., to Nanticoke, Pa.	2.11					.17		2.28
Wanamie Spur Branch	Wanamie, Pa.	.68							.68
Canal Branch	Miners Mills, Pa., to Plains Jct., Pa.	5.06					.05	.32	5.43
Everhart Branch	Union Jct., Pa., to Everhart, Pa.	3.07					.11	.06	3.24
Nesquehoning Valley R. R.	Nesquehoning Jct., Pa., to Tamanend, Pa.	16.60	7.82			.34	.15	13.45	38.36
Conn. with L. & N. E. R. R.	Hauto, Pa.	.03							.03
Conn. with Reading Co.	Haucks, Pa.	.07							.07
Tresckow R. R.	Silver Brook, Pa., to Beaver Brook, Pa.	8.57					1.54	2.75	12.86
"Y" Connection with Reading Co.	Silver Brook, Pa.	.12							.12
Wilkes-Barre & Scranton Ry.	Minooka Jct., Pa., to Scranton, Pa.	4.25	.76			.04	1.05	7.33	13.43
Total controlled and operated by ownership of capital stock or by agreements		204.79	103.08	3.73	1.07	3.15	38.77	211.10	565.69

MILEAGE OF TRACKS, DECEMBER 31, 1937—Continued

Name of Road or Track	Termini between which Road named extends	Miles of Road	Miles of Second Main Track	Miles of Third Main Track	Miles of Fourth Main Track	Miles of all other Main Track	Miles of Industrial Tracks	Miles of Yard Track and Sidings	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
TRACKAGE RIGHTS									
New York & Long Branch R. R.	Perth Amboy, N. J., to Bay Head Jct., N. J.	37.80	37.73			.78	6.61	34.65	117.57
Conn. with Raritan River R. R.	South Amboy, N. J.	.10							.10
Conn. with Freehold Branch	Matawan Station, N. J.	.10							.10
"Y" Connections	Matawan Crossing	.08							.08
Conn. with Southern Division M. L.	Red Bank, N. J.	.03	.01						.04
Conn. with West End Branch	West End, N. J.	.05	.05						.10
Point Pleasant Loop Track	Conn. in S. B. Main Track to Conn. in N. B. Main Track	1.29							1.29
Delaware & Hudson R. R.	South Wilkes-Barre, Pa., to Plymouth Jct., Pa.	1.87	1.04			.44	.29	1.77	5.41
Delaware & Hudson R. R.	Hudson, Pa., to Union Jct., Pa.		1.50						1.50
Delaware & Hudson R. R.	Union Jct., Pa., to Minooka Jct., Pa.	9.66	9.66						19.32
Delaware, Lackawanna & Western R. R.	Plymouth Jct., Pa., to Nottingham Colliery, Pa.	1.67	1.63				.07	.11	3.48
Erie & Wyoming Valley R. R.	Plains Jct., Pa., to Exchange Siding, Pa.	.28							.28
Lehigh & New England R. R.	Hauto, Pa., to Greenwood Jct., Pa.	6.00							6.00
Lehigh & New England R. R.	Catasauqua, Pa., Trackage to Davies & Thomas Plant						.19		.19
Lehigh Valley R. R.	Claremont, N. J., to National Junction, N. J.	1.85	1.49						3.34
Lehigh Valley R. R.	Mineral Spring Br., M. P. 178.07 to M. P. 178.41							.34	.34
National Docks R. R.	Constable Hook Br., N. J., to Standard Oil Co.	.40	.11				.27		.78
Pennsylvania-Reading Seashore Lines	Winslow Jct., N. J., to Atlantic City, N. J.	31.09	30.47					.06	61.62
Pennsylvania R. R.	Conn. at West End Breaker	.33							.33
Reading Co.	Greenwood Junction, Pa., to Tamaqua, Pa.	1.16							1.16
Reading Co.	Tamaqua, Pa., to Kaska William, Pa.	9.66							9.66
Reading Co.	Tamanend, Pa., to Silver Brook, Pa.	5.38							5.38
N. Y. C. R. R.	National Jct., N. J., to Willow Ave., Hoboken, N. J.	3.00							3.00
Allentown Terminal R. R.	L. & S. R. R. east of Allentown, Pa., to L. & S. R. R. west of Allentown, Pa.	2.75	2.56			.39	1.48	5.22	12.40
"Y" Branches	Connecting with East Penna. R. R., Allentown, Pa.	.59	.59						1.18
Barb Wire Branch	A. T. R. R. to Iowa Barb Wire Works	.35					.09	.19	.63
	Total Trackage Rights	115.49	86.84			1.61	9.00	42.34	255.28
	Grand Total	709.10	300.93	45.47	42.24	25.52	101.76	752.65	1977.67